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SUBJECT: SENEGAL'S PREPARATION FOR THE 2008 AGOA FORUM

REFS: A) STATE 58394, B) 07 DAKAR 1054

¶1. SUMMARY: On July 9, Senegal's Ministry of Trade Mamadou Diop Decroix convened a stakeholder meeting to evaluate the preparations for the GOS' participation in the July 14-16 AGOA Forum. He also spurred a debate as to why AGOA has been a failure in Senegal. Representatives from the private sector and a number of GOS agencies attended, as did Econ Counselor and Econ Assistant. Unfortunately, the main conclusion of the roundtable was to underscore Senegal's continued lack of focus on AGOA, both in terms of expanding exports and in not preparing properly for the Forum. We expect Minister Diop Decroix to lead Senegal's delegation, but most of the other participants have not yet been confirmed. Potential participants were asking for help with visas even over the weekend. END SUMMARY.

GOS HAS NO PROGRAM FOR AGOA

¶2. On July 9 meeting of stakeholders in preparation for the July 14-15 AGOA Forum in Washington, Senegal's Ministry of Trade Mamadou Diop Decroix noted that the country's exports to the U.S. have not significantly increased since 2004, and asked participants what were the barriers to the country's taking full advantage of AGOA preferences. He asked, "does the fault lay with the government, the private sector, or the U.S. government?" He received no clear response from those in attendance, which included representatives from the private sector, the Ministry of Commerce, the customs service, APIX (Agency for Investment and Export Promotion) and ASEPEX (Senegalese Agency for Export Promotion), and he departed the meeting after 15 minutes, but the acrimonious discussion continued for another two hours.

¶3. The private sector, represented by Mrs. Colle Sow Ardo and Mr Abdoulaay Diaara, expressed discouragement in accessing the American market saying that it was too large. Supported by Mr. Ly of Apix, Mrs. Diaara and Mr. Sow emphasized the lack of government support, including capacity building and training in Senegal. They wondered why the U.S. government did not support them with financing and market access. They also expressed their displeasure that the government had only contacted them about their requested participation at the Forum one week ago, and had yet to offer any financial assistance with the travel and lodging.

¶4. The Director General of ASAPEX, Mrs. Maimouna Savane, explained that her agency's ability to help Senegalese exporters is being undercut by the GOS's lack of support. She claimed that the government had yet to pay CFA 200 million (USD 475,000), almost half of its budget allocation for 2008. [Note: When ASEPEX was established three years ago it took away most of the Ministry of Commerce's export promotion budget. It is only recently that ASEPEX has begun to offer genuine service and value to Senegalese exporters, but the agency likely will shut down if the government does not fulfill its budget commitment. End Note.] Despite APIX' important role in promoting and supporting new investment in Senegal, Mr. Ly did not know if his agency would participate in the

Forum.

COMMENT

14. Much like the similar, last minute and unfocused meeting held before last year's AGOA Forum, this "stakeholders" roundtable did more to highlight Senegal's lack of focus on AGOA and the U.S. market than to establish any consensus on the steps necessary to create a more robust export capacity. Minister Diop, like his predecessor and the Director General of APIX before him, gave the impression that AGOA "does not offer much to Senegal." For the 2008 Forum, there is a high possibility that the Senegalese private sector will not be represented.

SMITH